

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: <b>ML-23609</b>		6. SURFACE: State	
1A. TYPE OF WORK: <b>DRILL</b> <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
B. TYPE OF WELL:    OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____    SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: <b>UNIT #891008900A</b> <i>Natural Buttes</i>			
2. NAME OF OPERATOR: <b>KERR MCGEE OIL &amp; GAS ONSHORE L.P.</b>				9. WELL NAME and NUMBER: <b>NBU 1022-7H-4</b>			
3. ADDRESS OF OPERATOR: <b>1368 S 1200 E</b> CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>			PHONE NUMBER: <b>(435) 781-7024</b>				
4. LOCATION OF WELL (FOOTAGES)  AT SURFACE: <b>2488'FNL, 227'FEL</b>  AT PROPOSED PRODUCING ZONE: <b>630405X 34.963890</b> <b>4424656Y -109.473159</b>				10. FIELD AND POOL, OR WILDCAT: <b>NATURAL BUTTES</b>			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>23.7 MILES SOUTHEAST OF OURAY, UTAH</b>				12. COUNTY: <b>UINTAH</b>		13. STATE: <b>UTAH</b>	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>227'</b>		16. NUMBER OF ACRES IN LEASE: <b>294.22</b>		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>40.00</b>			
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>REFER TO TOPO C</b>		19. PROPOSED DEPTH: <b>9,100</b>		20. BOND DESCRIPTION: <b>RLB0005237</b>			
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>5275'UNGRADED GL</b>		22. APPROXIMATE DATE WORK WILL START:		23. ESTIMATED DURATION:			

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
<b>12 1/4"</b>	<b>9 5/8</b>	<b>H-40</b>	<b>32.3#</b>	<b>2,100</b>	<b>265 SX CLASS G</b>	<b>1.18 YIELD</b>	<b>15.6 PPG</b>
<b>7 7/8"</b>	<b>4 1/2</b>	<b>I-80</b>	<b>11.6#</b>	<b>9,100</b>	<b>1870 SX 50/50 POZ</b>	<b>1.31 YIELD</b>	<b>14.3 PPG</b>

<b>25. ATTACHMENTS</b>	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) SHEILA UPCHEGO    TITLE REGULATORY ANALYST  
 SIGNATURE *Sheila Upchego*    DATE 8/25/2006

(This space for State use only)

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

**RECEIVED  
SEP 01 2006**

API NUMBER ASSIGNED: 43-047-38570

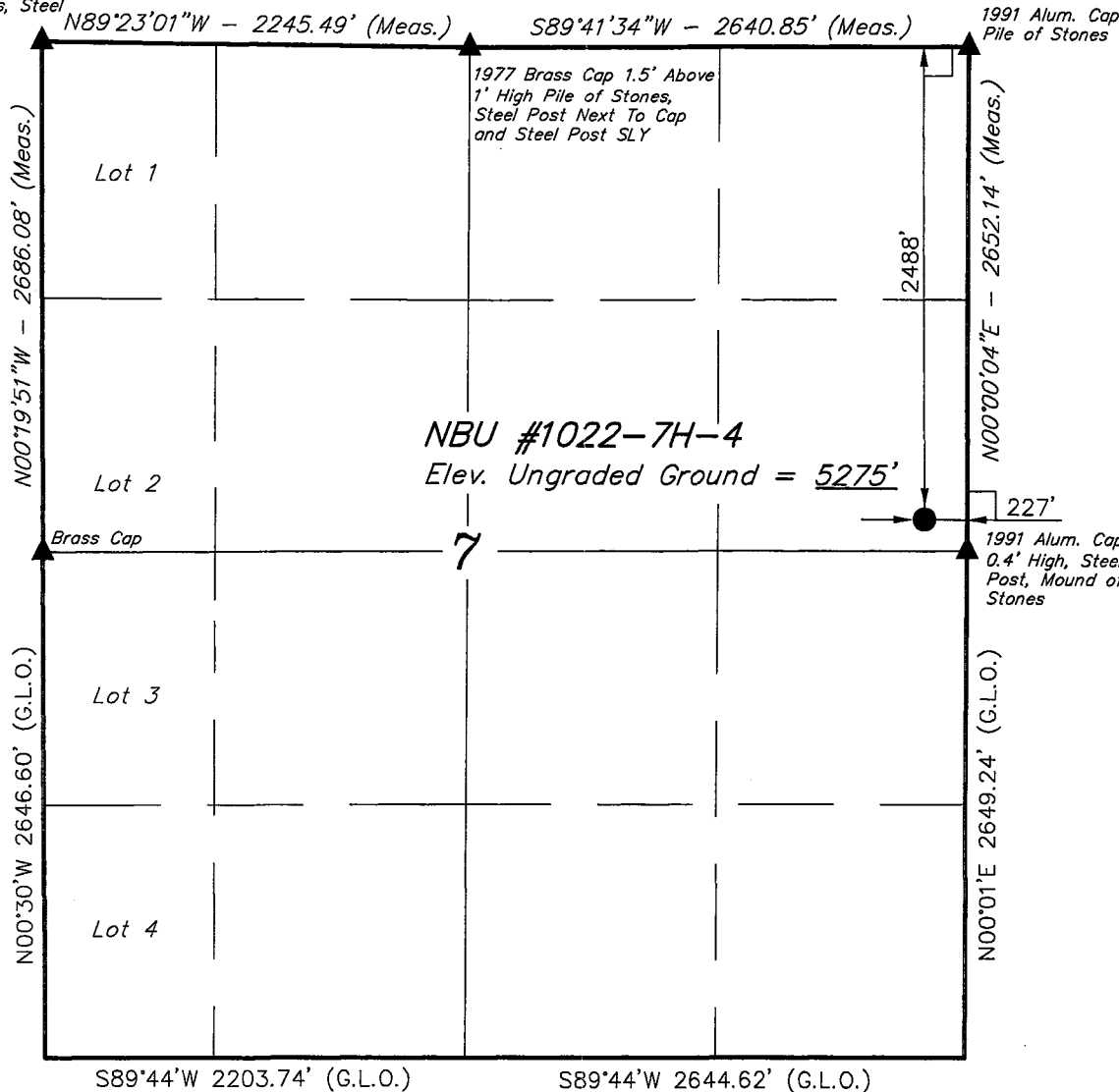
DIV. OF OIL, GAS & MINING

APPROVAL:  
 Date: 08-25-06  
 By: *[Signature]*  
 (See Instructions on Reverse Side)

# T10S, R22E, S.L.B.&M.

1977 Brass Cap  
0.4' Above 1.5'  
High Pile of  
Stones, Steel  
Post

1991 Alum. Cap  
Pile of Stones



## Kerr-McGee Oil & Gas Onshore LP

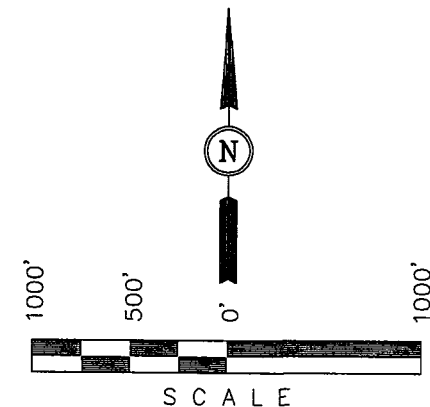
Well location, NBU #1022-7H-4, located as shown in the SE 1/4 NE 1/4 of Section 7, T10S, R22E, S.L.B.&M. Uintah County, Utah.

### BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

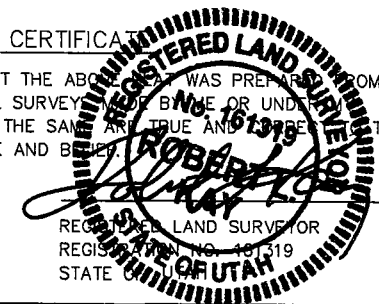
### BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYING BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



### LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(NAD 83)

LATITUDE = 39°57'50.04" (39.963900)

LONGITUDE = 109°28'26.03" (109.473897)

(NAD 27)

LATITUDE = 39°57'50.16" (41.963933)

LONGITUDE = 109°28'23.57" (110.473214)

## UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 05-11-06	DATE DRAWN: 05-15-06
PARTY P.J. T.B. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr-McGee Oil & Gas Onshore LP	

**NBU 1022-7H-4  
SENE SEC 7-T10S-R22E  
UINTAH COUNTY, UTAH  
ML-23609**

**ONSHORE ORDER NO. 1**

***DRILLING PROGRAM***

**1. Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	1288'
Top of Birds Nest Water	1599'
Mahogany	2238'
Wasatch	4492'
Mesaverde	7039'
MVU2	7956'
MVL1	8535'
TD	9100'

**2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	1288'
	Top of Birds Nest Water	1599'
	Mahogany	2238'
Gas	Wasatch	4492'
Gas	Mesaverde	7039'
Gas	MVU2	7956'
Gas	MVL1	8535'
Water	N/A	
Other Minerals	N/A	

**3. Pressure Control Equipment (Schematic Attached)**

*Please refer to the attached Drilling Program.*

**4. Proposed Casing & Cementing Program:**

*Please refer to the attached Drilling Program.*

**5. Drilling Fluids Program:**

*Please refer to the attached Drilling Program.*

**6. Evaluation Program:**

*Please refer to the attached Drilling Program.*

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 9100' TD, approximately equals 5642 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3640 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

*Drilling is planned to commence immediately upon approval of this application.*

9. **Variances:**

*Please refer to the attached Drilling Program.*

10. **Other Information:**

*Please refer to the attached Drilling Program.*



# **KERR-McGEE OIL & GAS ONSHORE LP** **DRILLING PROGRAM**

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE August 25, 2006  
WELL NAME NBU 1022-7H-4 TD 9,100' MD/TVD  
FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,275' GL KB 5,290'  
SURFACE LOCATION SESENE SECTION 7, T10S, R22E 2488'FNL, 227'FEL BHL Straight Hole  
Latitude: 39.963900 Longitude: 109.473897  
OBJECTIVE ZONE(S) Wasatch/Mesaverde  
ADDITIONAL INFO Regulatory Agencies: UDGOM (SURF & MINERALS), BLM, Tri-County Health Dept.

GEOLOGICAL FORMATION			MECHANICAL		
LOGS	TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 32.3#, H-40, STC	Air mist
Catch water sample, if possible, from 0 to 4,492'					
	Green River @	1,288'			
	Top of Birds Nest Water @	1599'			
	Preset f/ GL @	2,100' MD			
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
	Mahogany @	2,238'			
Mud logging program TBD					
Open hole logging program f/ TD - surf csg					
	Wasatch @	4,492'	7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-11.7 ppg
	Mverde @	7,039'			
	MVU2 @	7,956'			
	MVL1 @	8,535'			
					Max anticipated Mud required 11.7 ppg
	TD @	9,100'			



# **KERR-McGEE OIL & GAS ONSHORE LP** **DRILLING PROGRAM**

## **CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 2100	32.30	H-40	STC	0.64*****	1.39	4.28
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 9100	11.60	I-80	LTC	2.20	1.15	2.18

- 1) Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)
- 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)
- (Burst Assumptions: TD = 11.7 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing\*Buoy.Fact. of water)
- MASP 3534 psi

\*\*\*\*\* Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

## **CEMENT PROGRAM**

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2		<b>NOTE: If well will circulate water to surface, option 2 will be utilized</b>					
	LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,990'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	440	60%	11.00	3.38
	TAIL	5,110'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1430	60%	14.30	1.31

\*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

\*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

## **FLOAT EQUIPMENT & CENTRALIZERS**

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

## **ADDITIONAL INFORMATION**

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

DATE:

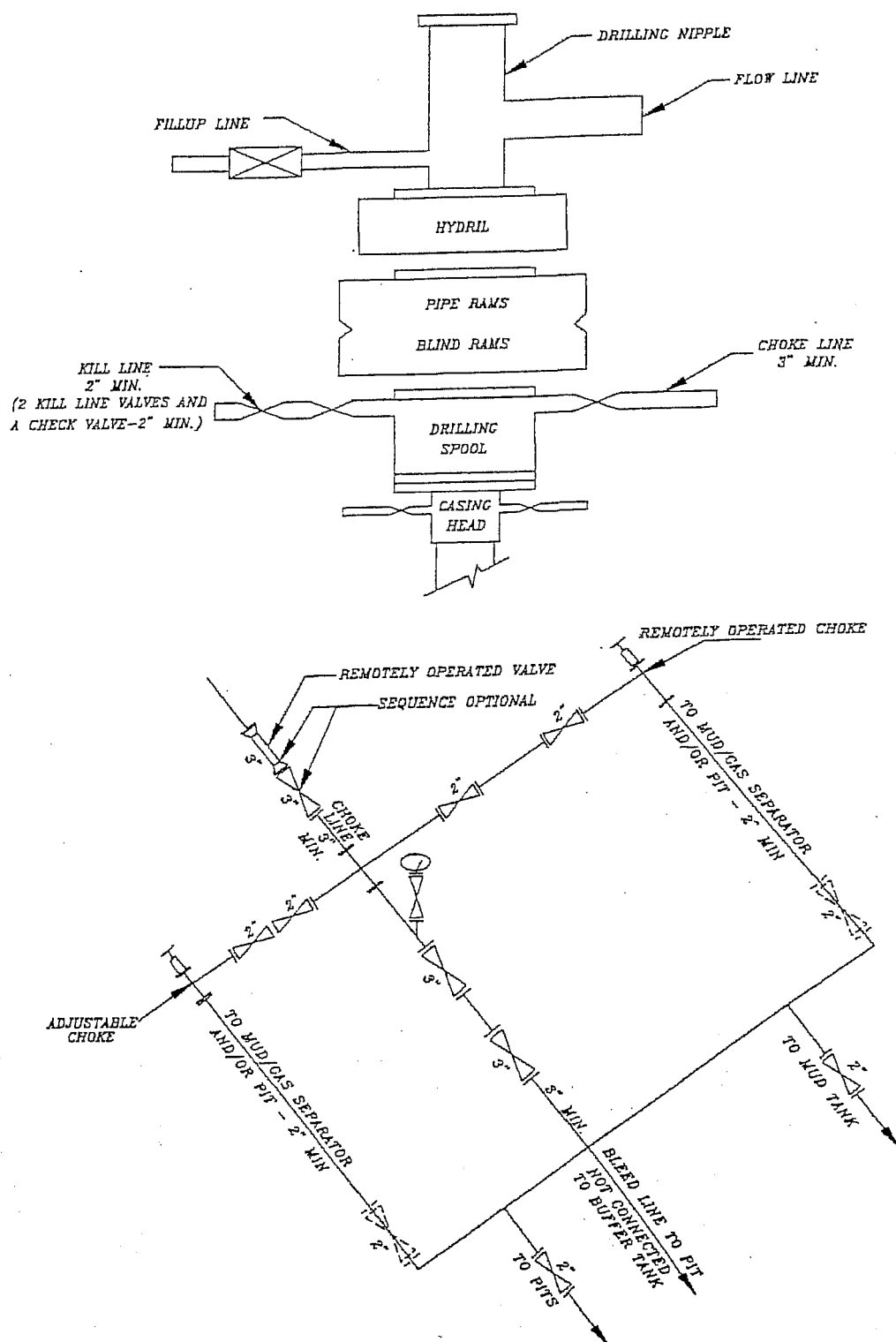
DRILLING SUPERINTENDENT:

Randy Bayne

DATE:

NBU1022-7H-4-APD.xls

# 5M BOP STACK and CHOKE MANIFOLD SYSTEM



NBU 1022-7H-4  
SENE SEC 7-T10S-R22E  
Uintah County, UT  
ML-23609

ONSHORE ORDER NO. 1

***MULTI-POINT SURFACE USE & OPERATIONS PLAN***

**1. Existing Roads:**

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

**2. Planned Access Roads:**

Approximately 360' +/- miles of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

*Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities were determined at the on-site.*

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

**3. Location of Existing Wells Within a 1-Mile Radius:**

Please refer to Topo Map C.

**4. Location of Existing & Proposed Facilities:**

*The following guidelines will apply if the well is productive.*

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain



fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 355' +/- of 4" pipeline is proposed from the location to an tie-in point. Refer to Topo Map D.

**5. Location and Type of Water Supply:**

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

**6. Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

**7. Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 20 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will

be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

**8. Ancillary Facilities:**

None are anticipated.

**9. Well Site Layout: (See Location Layout Diagram)**

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

**10. Plans for Reclamation of the Surface:**

*Producing Location:*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

*Dry Hole/Abandoned Location:*

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. **Surface Ownership:**

SITLA  
675 East 500 South, Suite 500  
Salt Lake City, UT 84102

12. **Other Information:**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey will be submitted when report becomes available.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within the boundaries of the Unit.

13. **Lessee's or Operators's Representative & Certification:**

Sheila Upchego  
Regulatory Analyst  
Kerr-McGee Oil & Gas Onshore LP  
1368 South 1200 East.  
Vernal, UT 84078  
(435) 781-7024

Randy Bayne  
Drilling Manager  
Kerr-McGee Oil & Gas Onshore LP  
1368 South 1200 East  
Vernal, UT 84078  
(435)781-7018

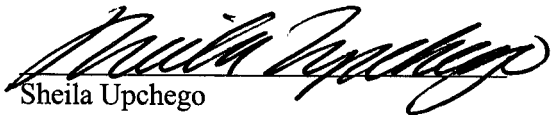
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005237.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

  
Sheila Upchego

8/25/2006  
Date

**Kerr-McGee Oil & Gas Onshore LP**  
**NBU #1022-7H-4**  
**SECTION 7, T10S, R22E, S.L.B.&M.**

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 6.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN EASTERLY DIRECTION APPROXIMATELY 5.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 6.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 360' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 54.8 MILES.

# Kerr-McGee Oil & Gas Onshore LP

**NBU #1022-7H-4**

LOCATED IN UTAH COUNTY, UTAH  
SECTION 7, T10S, R22E, S.L.B.&M.

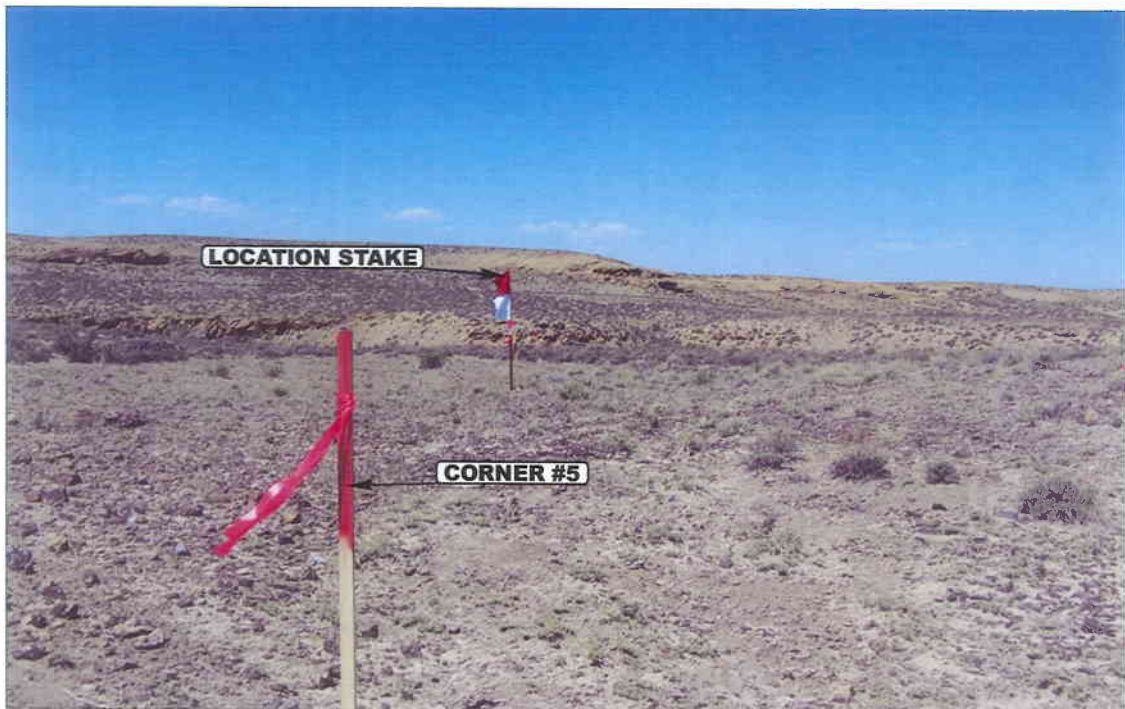


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

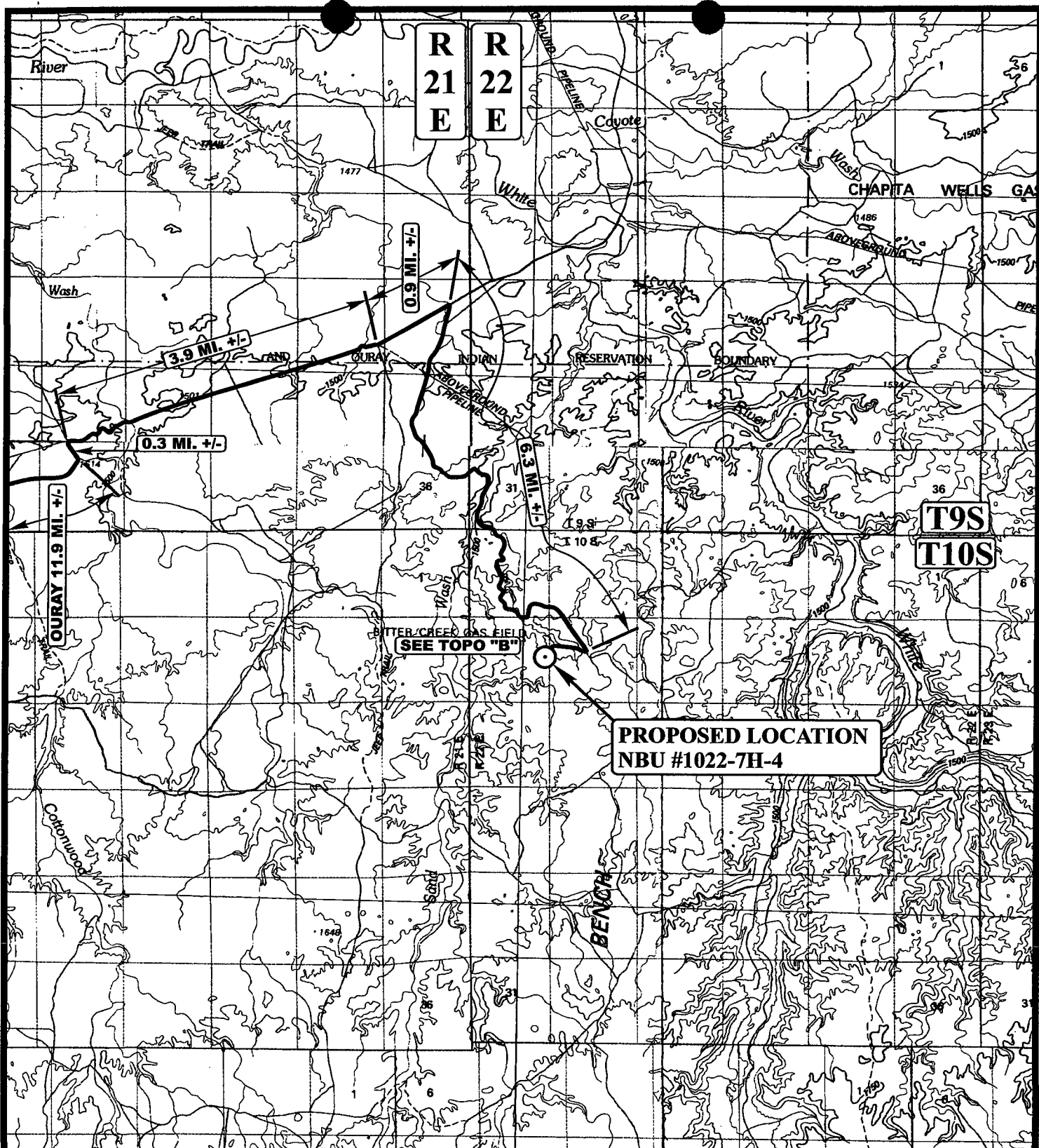
**LOCATION PHOTOS**

**05 17 06**  
MONTH DAY YEAR

**PHOTO**

TAKEN BY: P.J. | DRAWN BY: C.P. | REVISED: 00-00-00





# **LEGEND:**

○ PROPOSED LOCATION

**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-7H-4**

**SECTION 7, T10S, R22E, S.L.B.&M.**

**2488' FNL 227' FEL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813



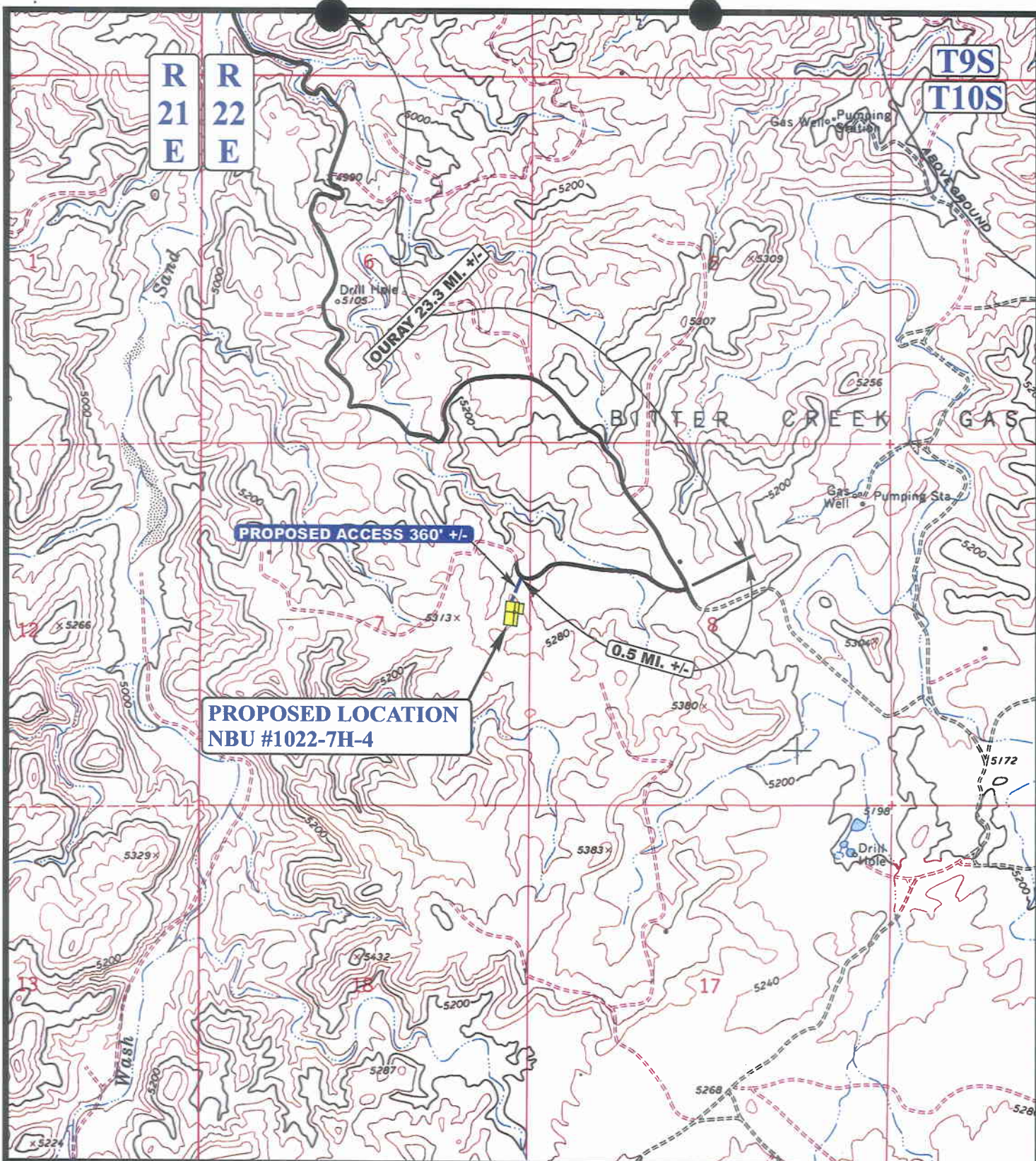
**TOPOGRAPHIC**  
**MAP**

**05** **17** **06**  
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00







# **LEGEND:**

 EXISTING ROAD  
 PROPOSED ACCESS ROAD

N

**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-7H-4**

**SECTION 7, T10S, R22E, S.L.B.&M.**

**2488' FNL 227' FEL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

**05 17 06**  
 MONTH DAY YEAR

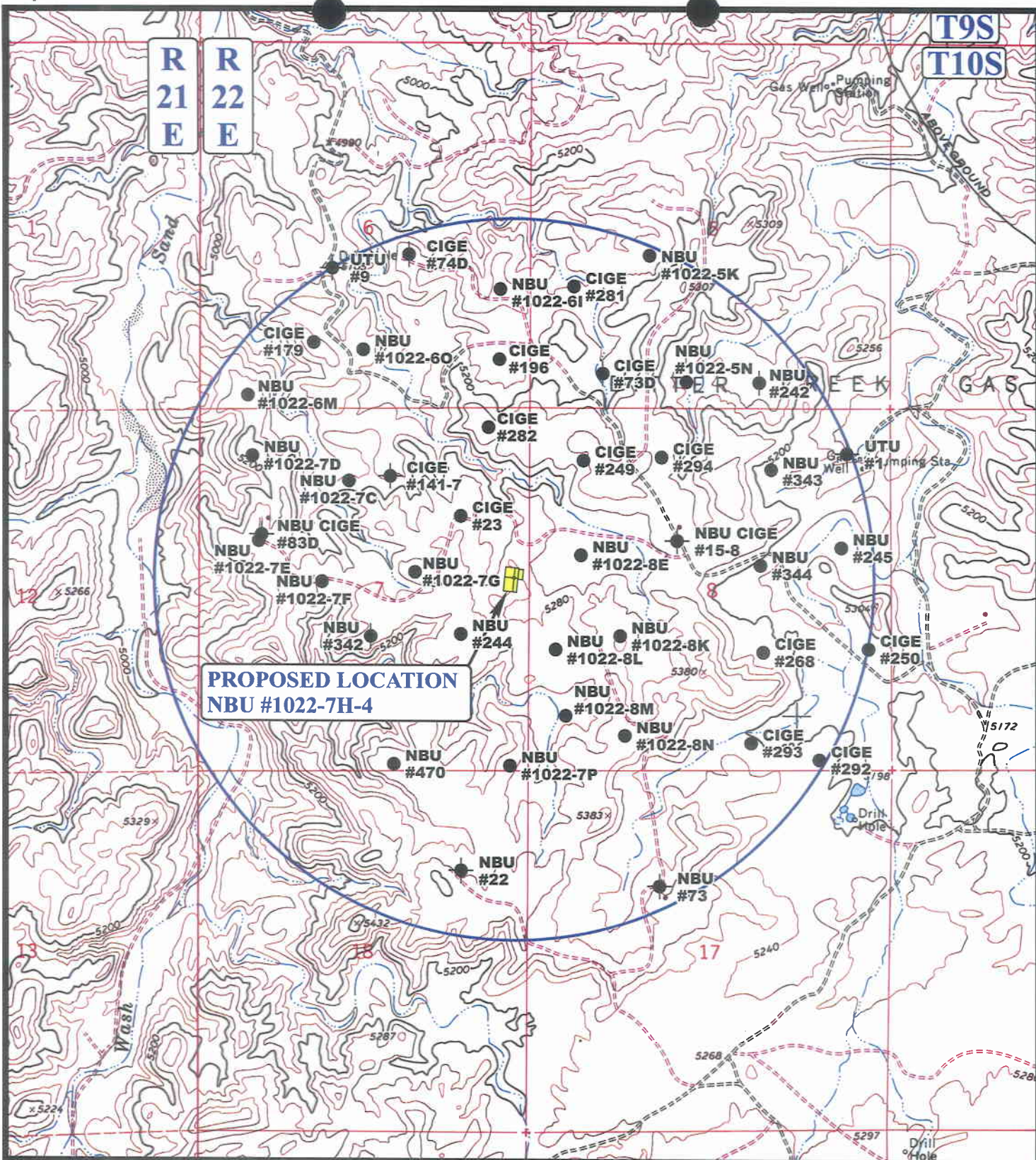
SCALE: 1" = 2000'

DRAWN BY: C.P.

REVISED: 00-00-00

**B**  
 TOPO





**PROPOSED LOCATION**  
**NBU #1022-7H-4**

# **LEGEND:**

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-7H-4**  
**SECTION 7, T10S, R22E, S.L.B.&M.**  
**2488' FNL 227' FEL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

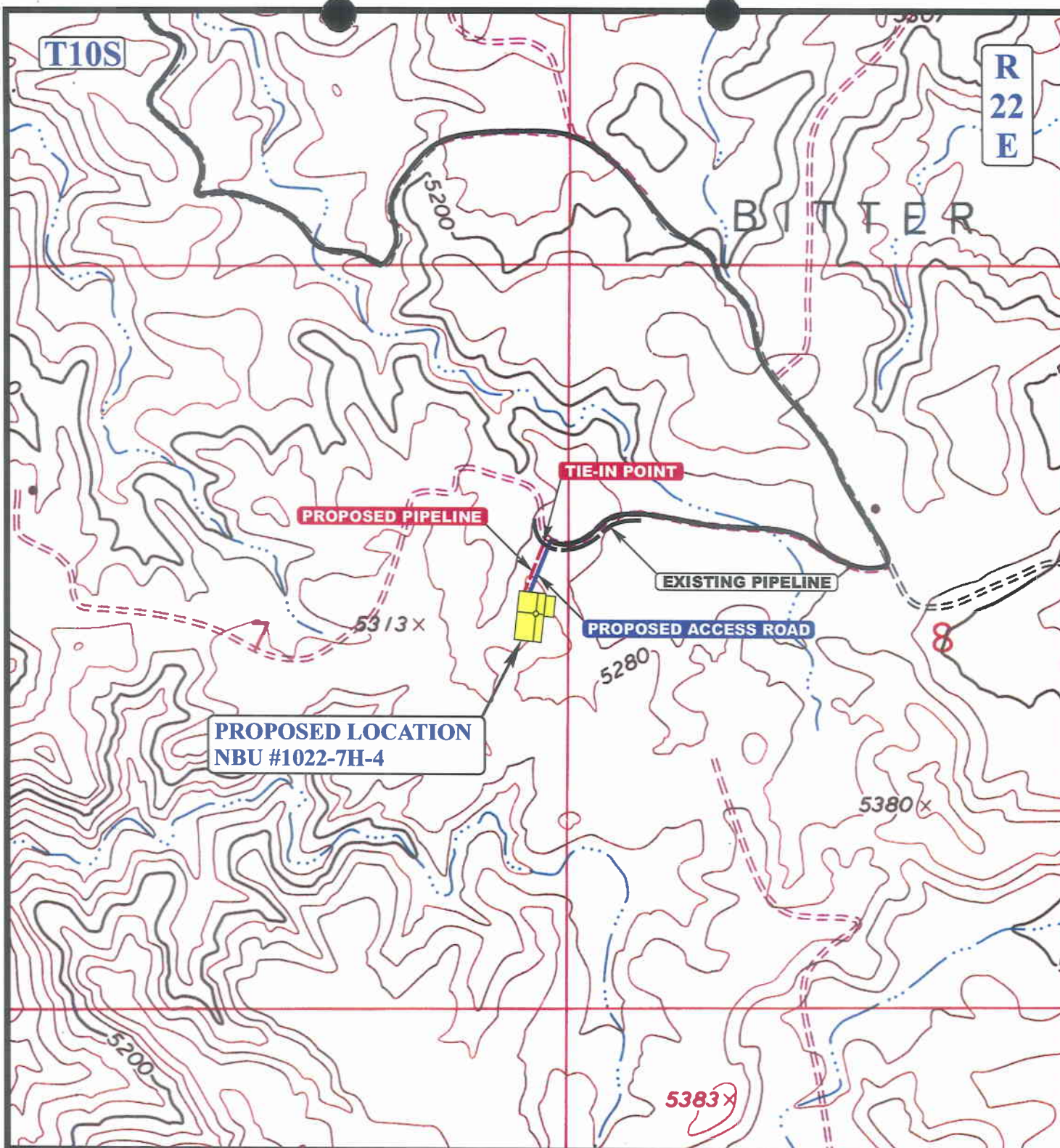
**TOPOGRAPHIC**  
**MAP**

**05 17 06**  
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00







APPROXIMATE TOTAL PIPELINE DISTANCE = 355' +/-

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - PROPOSED PIPELINE



**Kerr-McGee Oil & Gas Onshore LP**

**NBU #1022-7H-4**

**SECTION 7, T10S, R22E, S.L.B.&M.**

**2488' FNL 227' FEL**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC  
MAP**

**05 17 06**  
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00

**D**  
TOPO



# Kerr-McGee Oil & Gas Onshore LP

NBU #1022-7H-4

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 7, T10S, R22E, S.L.B.&M.



PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

**UELS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

## PIPELINE PHOTOS

05 17 06  
MONTH DAY YEAR

PHOTO

TAKEN BY: P.J.

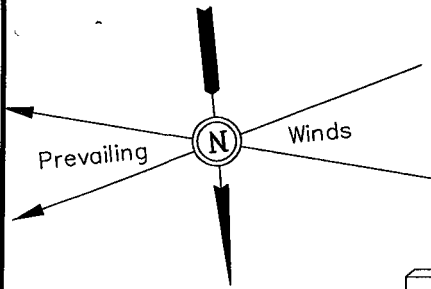
DRAWN BY: C.P.

REVISED: 00-00-00

# Kerr-McGee Oil & Gas Onshore LP

## LOCATION LAYOUT FOR

NBU #1022-7H-4  
SECTION 7, T10S, R22E, S.L.B.&M.  
2488' FNL 227' FEL



SCALE: 1" = 50'  
DATE: 05-15-06  
Drawn By: C.H.

C-0.6'  
El. 75.2'

Sta. 3+50

C-6.2'  
El. 80.8'

Round Corners  
as Needed

C-2.2'  
El. 76.8'



Approx.  
Top of  
Cut Slope

### NOTE:

Flare Pit is to be located  
a min. of 100' from the  
Well Head.

El. 75.1'  
C-10.5'  
(btm. pit)

Bloole Line

C-2.7'  
El. 77.3'

C-0.5'  
El. 75.1'

Sta. 1+50

TOILET

F-4.7'  
El. 69.9'

TRAILER

WATER  
TANK

Approx.  
Toe of  
Fill Slope

Sta. 0+50

El. 71.0'  
C-6.4'  
(btm. pit)

15' WIDE BENCH

RESERVE PITS  
(10' Deep)  
Total Pit Capacity  
W/2' of Freeboard  
= 9,850 Bbls. ±  
Total Pit Volume  
= 2,780 Cu. Yds.

15' WIDE BENCH

C-2.6'  
El. 77.2'

PROPANE  
STORAGE

C-3.1'  
El. 77.7'

C-1.7'  
El. 76.3'

Sta. 0+00

F-4.3'  
El. 70.3'

Proposed Access  
Road

FIGURE #1

### NOTES:

Elev. Ungraded Ground At Loc. Stake = 5275.1'  
FINISHED GRADE ELEV. AT LOC. STAKE = 5274.6'

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

# Kerr-McGee Oil & Gas Onshore LP

FIGURE #2

## TYPICAL CROSS SECTIONS FOR

NBU #1022-7H-4

SECTION 7, T10S, R22E, S.L.B.&M.

2488' FNL 227' FEL



1" = 20'  
X-Section Scale  
1" = 50'

DATE: 05-15-06

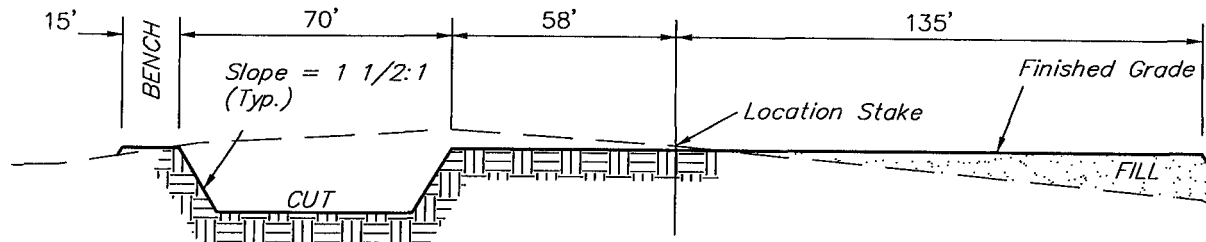
Drawn By: C.H.

Preconstruction Grade

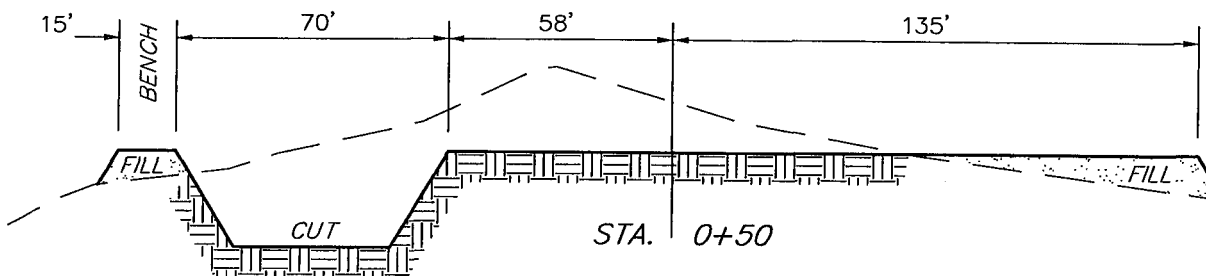
58'

135'

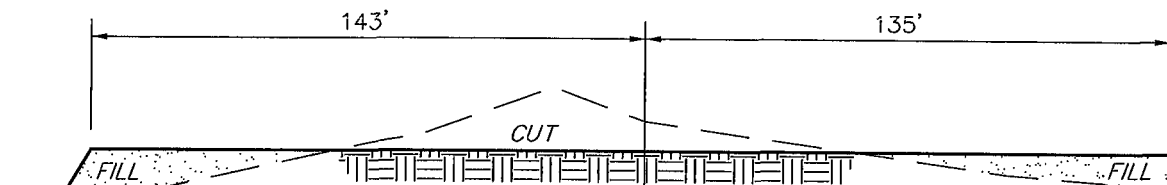
STA. 3+50



STA. 1+50



STA. 0+50



STA. 0+00

### APPROXIMATE YARDAGES

#### CUT

(6") Topsoil Stripping = 1,730 Cu. Yds.

Remaining Location = 7,030 Cu. Yds.

TOTAL CUT = 8,760 CU.YDS.

FILL = 3,960 CU.YDS.

EXCESS MATERIAL = 4,800 Cu. Yds.

Topsoil & Pit Backfill = 3,120 Cu. Yds.  
(1/2 Pit Vol.)

EXCESS UNBALANCE = 1,680 Cu. Yds.  
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/01/2006

API NO. ASSIGNED: 43-047-38570

WELL NAME: NBU 1022-7H-4

OPERATOR: KERR-MCGEE OIL & GAS ( N2995 )

CONTACT: SHEILA UPCHEGO

PHONE NUMBER: 435-781-7024

**PROPOSED LOCATION:**

SENE 07 100S 220E

SURFACE: 2488 FNL 0227 FEL

BOTTOM: 2488 FNL 0227 FEL

COUNTY: UINTAH

LATITUDE: 39.96389 LONGITUDE: -109.4732

UTM SURF EASTINGS: 630405 NORTHINGS: 4424656

FIELD NAME: NATURAL BUTTES ( 630 )

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	<i>DWD</i>	<i>10/20/06</i>
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-23609

SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

**RECEIVED AND/OR REVIEWED:**

☒ Plat  
☒ Bond: Fed[] Ind[] Sta[] Fee[]  
(No. RLB0005236 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. 43-8496 )  
☒ RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )  
☒ Fee Surf Agreement (Y/N)  
☒ Intent to Commingle (Y/N)

**LOCATION AND SITING:**

       R649-2-3.  
Unit: NATURAL BUTTES  
       R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells  
       R649-3-3. Exception  
☒ Drilling Unit  
Board Cause No: 173-14  
Eff Date: 12.2.94  
Siting: 4th & Ruben Ave. mm. Traces  
       R649-3-11. Directional Drill

**COMMENTS:**

*Natural Gas (10-03-06)*

**STIPULATIONS:**

*1- STATEMENT OF BASIS  
2- OIL SHALE  
3- Surface Csg Cont Strip*





# Application for Permit to Drill

## Statement of Basis

10/5/2006

Utah Division of Oil, Gas and Mining

Page 1

<b>APD No</b>	<b>API WellNo</b>	<b>Status</b>	<b>Well Type</b>	<b>Surf Ownr</b>	<b>CBM</b>
111	43-047-38570-00-00		GW	S	No
<b>Operator</b>	KERR-MCGEE OIL & GAS ONSHORE, LP		<b>Surface Owner-APD</b>		
<b>Well Name</b>	NBU 1022-7H-4		<b>Unit</b>		
<b>Field</b>	UNDESIGNATED		<b>Type of Work</b>		
<b>Location</b>	SENE 7 10S 22E S 0 F L 0 F L GPS Coord (UTM) 630405E 4424656N				

### Geologic Statement of Basis

Kerr McGee proposes to set 2,100' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,700'. A search of Division of Water Rights records shows 1 water well within a 10,000 foot radius of the proposed location. This well is more than a mile from the proposed location. Use is listed as stock/wildlife watering. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The production casing cement should be brought up above the base of the moderately saline ground water in order to isolate it from fresher waters up hole.

Brad Hill

10/5/2006

APD Evaluator

Date / Time

### Surface Statement of Basis

Both the surface and minerals are owned by SITLA.

General area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 24 miles southeast of Ouray, Utah. Access is by State of Utah Highway, Uintah County and oilfield development roads. Approximately 1/2 mile of new access road will be required.

Topography is characterized by broad open flats dissected by numerous sub-drainages, which often become steep with ridges and draws with exposed sandstone layers. No perennial streams occur in drainage. Individual draws or washes are ephemeral with spring runoff or flows from sometimes-intense summer rainstorms. White River is to the northeast about 2 1/2 miles. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

The specific location is in a small saddle on a narrow ridge which runs south to north. Rock outcrops exist on the ridge on both ends of the saddle. A deep draw on the west of the location will not be encroached. Approximately 1/2 mile of new road will be required to reach the location.

Ben Williams of the UDWR was invited to and attended the presite. He stated the general area is classified as critical yearlong antelope range, however he did not recommend any stipulations, as water is the limiting factor affecting the population not forage. Also, no other wildlife are expected to be affected. He provided Jim Davis of SITLA and Carrol Estes of Kerr-Mcgee a copy of his wildlife evaluation and a seed mix recommended by DWR to be used in reseeding the location.

Floyd Bartlett

10/3/2006

Onsite Evaluator

Date / Time

---

# Application for Permit to Drill

## Statement of Basis

10/5/2006

Utah Division of Oil, Gas and Mining

Page 2

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### Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 20 mils with a felt subliner shall be properly installed and maintained in the reserve pit.

# **ON-SITE PREDRILL EVALUATION**

## **Utah Division of Oil, Gas and Mining**

**Operator** KERR-MCGEE OIL & GAS ONSHORE, LP  
**Well Name** NBU 1022-7H-4  
**API Number** 43-047-38570-0 **APD No** 111 **Field/Unit** UNDESIGNATED  
**Location:** 1/4,1/4 SENE **Sec** 7 **Tw** 10S **Rng** 22E 0 FL 0 FL  
**GPS Coord (UTM)** 630401 4424661 **Surface Owner**

### **Participants**

Floyd Bartlett (DOGM), Carol Estes, B J Braithwaite, Tony Kazeck and Clay Einerson (Kerr McGee), David Kay (Uintah Engineering & Land Survey), Jim Davis (SITLA), Ben Williams (UDWR)

### **Regional/Local Setting & Topography**

General area is the Sand Wash Drainage of Uintah, County. Sand Wash is approximately 36 air miles south of Vernal, Utah and approximately 24 miles southeast of Ouray, Utah. Access is by State of Utah Highway, Uintah County and oilfield development roads. Approximately 1/2 mile of new access road will be required.

Topography is characterized by broad open flats dissected by numerous sub-drainages, which often become steep with ridges and draws with exposed sandstone layers. No perennial streams occur in drainage. Individual draws or washes are ephemeral with spring runoff or flows from sometimes-intense summer rainstorms. White River is to the northeast about 2 1/2 miles. No springs exist in the area. An occasional constructed pond occurs furnishing water for antelope or livestock.

The specific location is in a small saddle on a narrow ridge which runs south to north. Rock outcrops exist on the ridge on both ends of the saddle. A deep draw on the west of the location will not be encroached.

### **Surface Use Plan**

#### **Current Surface Use**

Wildlife Habitat  
Wildlife Habitat

#### **New Road**

Miles	Well Pad		Src Const Material	Surface Formation
0.5	Width 263	Length 350	Onsite	UNTA

**Ancillary Facilities** N

### **Waste Management Plan Adequate?** Y

### **Environmental Parameters**

**Affected Floodplains and/or Wetland** N

#### **Flora / Fauna**

Poorly vegetated with shadscale, budsage, halogeton, cheatgrass, annual mustard, Gardiner saltbrush, globe mallow, and prickly pear.

Antelope, small mammals and birds.

#### **Soil Type and Characteristics**

Moderately deep rocky sandy loam with bedrock outcrops.

**Erosion Issues** N

**Sedimentation Issues** N

**Site Stability Issues** N

**Drainage Diversion Required** N

**Berm Required?** N

**Erosion Sedimentation Control Required?** N

**Paleo Survey Run?** Y    **Paleo Potential Observed?** N    **Cultural Survey Run?** Y    **Cultural Resources?**

**Reserve Pit**

Site-Specific Factors		Site Ranking
Distance to Groundwater (feet)	>200	0
Distance to Surface Water (feet)	>1000	0
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	300 to 1320	10
Native Soil Type	Mod permeability	10
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	<10	0
Affected Populations	<10	0
Presence Nearby Utility Conduits	Not Present	0
Final Score		25    1    Sensitivity Level

**Characteristics / Requirements**

150' x 70' x 10' deep located on the north east side of the location in an area of cut. The operator has a standard practice of lining all pits with a 20 mil. liner and 2 layers of felt underlayment.

**Closed Loop Mud Required?** N    **Liner Required?** Y    **Liner Thickness** 16    **Pit Underlayment Required?** Y

**Other Observations / Comments**

Ben Williams of the UDWR was invited to and attended the presite. He stated the general area is classified as critical yearlong antelope range, however he did not recommend any stipulations, as water is the limiting factor affecting the population not forage. Also, no other wildlife are expected to be affected. He provided Jim Davis of SITLA and Carrol Estes of Kerr-Mcgee a copy of his wildlife evaluation and a seed mix recommended by DWR to be used in reseeding the location.

Floyd Bartlett  
Evaluator

10/3/2006  
Date / Time

Casing Schematic

Surface

BHP  
 $(0.052)(9100)(11.7) = 5536 \text{ psi}$   
 anticipate 5612 psi

Gas  
 $(.12)9100 = 1092$   
 $5536 - 1092 = 4444 \text{ psi}$   
 MASP  
 9-5/8" MW 8.4 Frac 19.3

BOPE - 5M ✓

Burst - 2270  
 70% = 1589

Max @ esg. shoe  
 $9100 - 2100 = 7000$   
 $(.22)7000 = 1540$   
 $5536 - 1540 = 3996 \text{ psi}$

Test to 1589 psi ✓  
 POASE 1500 psi O.K.

⇒ Slip Surf. cmt ✓

✓ Adequate ✓  
 10/20/06

4-1/2" MW 11.7

12 1/2" 18 1/2"

TOC @ 0.

Winta cmt to surf w/ 5% w/o  
 ✓ Surf slip

TOC @ 741.

1288' Green River

1599' Birds Nest Water  
 1765' TOC tail

2238' Surface 2100. MD Mahogany

3131' TOC tail

4492' Wasatch

7039' Mesaverde

7956' MV 42

8535' MV L1

Production 9100. MD

Well name:

**2006-10 Kerr McGee NBU 1022-7H-4**Operator: **Kerr McGee Oil & Gas Onshore L.P.**String type: **Surface**

Project ID:

**43-047-38570**Location: **Uintah County, Utah****Design parameters:****Collapse**Mud weight: 8.400 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 104 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: 741 ft

**Burst**Max anticipated surface pressure: 1,848 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 2,100 psi

No backup mud specified.

**Tension:**8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)Tension is based on buoyed weight.  
Neutral point: 1,841 ft**Non-directional string.****Re subsequent strings:**Next setting depth: 9,100 ft  
Next mud weight: 11.700 ppg  
Next setting BHP: 5,531 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 2,100 ft  
Injection pressure: 2,100 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2100	9.625	32.30	H-40	ST&C	2100	2100	8.876	928
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	916	1370	1.495 ✓	2100	2270	1.08 ✓	59	254	4.27 J ✓

Prepared by: Helen Sadik-Macdonald  
Div of Oil, Gas & MineralsPhone: (801) 538-5357  
FAX: (801) 359-3940Date: October 11, 2006  
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 2100 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name:	<b>2006-10 Kerr McGee NBU 1022-7H-4</b>		
Operator:	<b>Kerr McGee Oil &amp; Gas Onshore L.P.</b>		
String type:	Production	Project ID:	43-047-38570
Location:	Uintah County, Utah		

**Design parameters:**
**Collapse**

Mud weight: 11.700 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 202 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 3,529 psi  
Internal gradient: 0.220 psi/ft  
Calculated BHP 5,531 psi

No backup mud specified.

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)

**Non-directional string.**

Tension is based on buoyed weight.  
Neutral point: 7,508 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	9100	4.5	11.60	I-80	LT&C	9100	9100	3.875	794.1

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5531	6360	1.150 ✓	5531	7780	1.41 ✓	87	212	2.43 J ✓

Prepared Helen Sadik-Macdonald  
by: Div of Oil, Gas & Minerals

Phone: (801) 538-5357  
FAX: (801) 359-3940

Date: October 11, 2006  
Salt Lake City, Utah

**Remarks:**

Collapse is based on a vertical depth of 9100 ft, a mud weight of 11.7 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:  
3160  
(UT-922)

September 19, 2006

### Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Natural Buttes Unit Uintah  
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Natural Buttes Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
-------	-----------	----------

(Proposed PZ Wasatch/MesaVerde)

43-047-38560 NBU 922-31P-1 Sec 31 T09S R22E 1007 FSL 0107 FEL  
43-047-38561 NBU 922-31A-4T Sec 31 T09S R22E 0852 FNL 0301 FEL  
43-047-38567 NBU 922-32N-1T Sec 32 T09S R22E 1200 FSL 2329 FWL  
43-047-38569 NBU 922-32H-3T Sec 32 T09S R22E 2302 FNL 0891 FEL  
43-047-38570 NBU 1022-7H-4 Sec 07 T10S R22E 2488 FNL 0227 FEL  
43-047-38571 NBU 1022-7B-3T Sec 07 T10S R22E 0967 FNL 2042 FEL  
43-047-38562 NBU 1022-10C-1 Sec 10 T10S R22E 0104 FNL 2193 FWL

The following wells are twins of existing Wasatch wells

43-047-38564 NBU 922-31P-3T Sec 31 T09S R22E 0491 FSL 0971 FEL  
43-047-38565 NBU 922-31K-2T Sec 31 T09S R22E 2589 FSL 1435 FWL  
43-047-38566 NBU 922-31J-1T Sec 31 T09S R22E 2383 FSL 1826 FEL  
43-047-38568 NBU 922-32L-4T Sec 32 T09S R22E 1954 FSL 1286 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard





**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

February 14, 2007

Kerr-McGee Oil & Gas Onshore LP  
1368 S 1200 E  
Vernal, UT 84078

Re: NBU 1022-7H-4 Well, 2488' FNL, 227' FEL, SE NE, Sec. 7, T. 10 South,  
R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38570.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor (via e-mail)  
Bureau of Land Management, Vernal District Office  
SITLA

Operator: Kerr-McGee Oil & Gas Onshore LP  
Well Name & Number NBU 1022-7H-4  
API Number: 43-047-38570  
Lease: ML-23609

Location: SE NE Sec. 7 T. 10 South R. 22 East

### Conditions of Approval

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### 2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office  
(801) 733-0983 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office  
(801) 733-0983 home

#### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.
7. Surface casing shall be cemented to the surface.

## DIVISION OF OIL, GAS AND MINING

### **SPUDDING INFORMATION**

Name of Company: KERR-McGEE OIL & GAS ONSHORE

Well Name: NBU 1022-7H-4

Api No: 43-047-38570 Lease Type: STATE

Section 07 Township 10S Range 22E County UINTAH

Drilling Contractor PETE MARTIN RIG # BUCKET

### **SPUDDED:**

Date 07/17/07

Time 11:00 AM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by LOU WELDON

Telephone # (435) 828-7035

Date 07/19/07 Signed CHD

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 6

**ENTITY ACTION FORM**

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995  
Address: 1368 SOUTH 1200 EAST  
city VERNAL  
state UT zip 84078 Phone Number: (435) 781-7024

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738570	NBU 1022-7H-4		SENE	7	10S	22E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<u>B</u>	99999	<u>2900</u>	7/17/2007		<u>7/23/07</u>		
Comments: MIRU PETE MARTIN BUCKET RIG. <u>W5MVD</u> SPUD WELL LOCATION ON 07/17/2007 AT 1100 HRS.							

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

**ACTION CODES:**

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

To: FAIRVIEW RUSSELL From: Sheila Upchego  
Co./Dept: LAND O&M Co.: KMG  
Phone: (801) 538-5336 Phone: (435) 781-7024  
Fax: (801) 359-3440 Fax: (435) 781-7094

SHEILA UPCHEGO

Name (Please Print)

Signature

SENIOR LAND SPECIALIST

7/18/2007

Title

Date

**RECEIVED****JUL 18 2007**

DIV. OF OIL, GAS &amp; MINING

(5/2000)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
KERR MCGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR:  
1368 SOUTH 1200 EAST VERNAL UT 84078

PHONE NUMBER:  
(435) 781-7024

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2488'FNL, 227'FEL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 7 10S 22E

STATE:  
UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: WELL SPUD
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU PETE MARTIN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/28 SX READY MIX.

SPUD WELL LOCATION ON 07/17/2007 AT 1100 HRS.

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE

DATE 7/18/2007

(This space for State use only)

RECEIVED  
JUL 20 2007  
DIV. OF OIL, GAS & MINING

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-23609
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST VERNAL UT 84078		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
PHONE NUMBER: (435) 781-7024		8. WELL NAME and NUMBER: NBU 1022-7H-4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2488'FNL, 227'FEL		9. API NUMBER: 4304738570
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 7 10S 22E		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____  <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: SET SURFACE CSG.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU BILL MARTIN AIR RIG ON 07/21/2007. DRILLED 12 1/4" SURFACE HOLE TO 2140'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. TAILED CMT W/100 SX PREM CLASS G @15.8 PPG 1.15 YIELD. NO RETURNS TO PIT. TOP OUT W/225 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN BACKSIDE GOOD CMT TO SURFACE. HOLE STAYED FULL.

WORT

**RECEIVED**

**JUL 31 2007**

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 7/25/2007

(This space for State use only)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-23609
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST VERNAL UT 84078		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2488'FNL, 227'FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 7 10S 22E		8. WELL NAME and NUMBER: NBU 1022-7H-4 9. API NUMBER: 4304738570 10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
		COUNTY: UINTAH STATE: UTAH

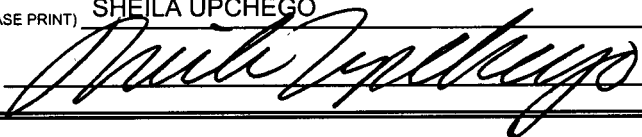
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: FINAL DRILLING OPERATIONS
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

FINISHED DRILLING FROM 2140' TO 8850' ON 8/28/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/410 SX PREM LITE II @11.3# 3.02 YIELD. TAILED CMT W/1129 SX 50/50 POZ @14.3# 1.31 YIELD. BUMP PLUG 604 OVER LIFT. CHECK FLOATS OK. 16 BBLs CMT TO PIT LAND CSG W/75000# CLEAN MUD TANKS.

RELEASED PIONEER RIG 69 ON 08/28/2007 AT 0230 HRS.

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 8/28/2007

(This space for State use only)

RECEIVED  
SEP 04 2007



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
KERR McGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR:  
1368 SOUTH 1200 EAST VERNAL UT 84078

PHONE NUMBER:  
(435) 781-7024

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2488'FNL, 227'FEL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 7 10S 22E

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:  
ML-23609

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:  
UNIT #891008900A

8. WELL NAME and NUMBER:  
NBU 1022-7H-4

9. API NUMBER:  
4304738570

10. FIELD AND POOL, OR WILDCAT:  
NATURAL BUTTES

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: REQUESTS TO CHANGE MUD WT
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

THE OPERATOR REQUESTS AUTHORIZATION TO CHANGE THE MUD WEIGHT TO FRESH WATER MUD WITH 0-8% BIO DIESEL.

RECEIVED

JUL 31 2007

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE

DATE 7/24/2007

(This space for State use only)

COPY SENT TO OPERATOR  
Date: 8/31/07  
Initials: [Signature]

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS AND MINING  
DATE: 8/30/07  
BY: [Signature]

(5/2000)

(See Instructions on Reverse Side)

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 23609
2. NAME OF OPERATOR: KERR-McGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME: UNIT #891008900A
PHONE NUMBER: (435) 781-7024		8. WELL NAME and NUMBER: NBU 1022-7H-4
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2488'FNL-227'FEL		9. API NUMBER: 4304738570
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 7 10S 22E		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>PRODUCTION</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>START UP</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 10/04/2007 @ 3:00 PM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED  
OCT 24 2007  
DIVISION OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE <i>Sheila Upchego</i>	DATE 10/8/2007

(This space for State use only)

Anadarko Petroleum Corporation  
1368 S. 1200 East  
Vernal, UT 84078

## CHRONOLOGICAL WELL HISTORY

### **NBU 1022-7H-4**

SENE, SEC. 7, T10S, R22E  
UINTAH COUNTY, UT

DATE	ACTIVITY	STATUS
07/04/07	LOCATION STARTED PIONEER 69	
07/17/07	LOCATION COMPLETED SET CONDUCTOR PIONEER 69	P/L IN, WOBR, WOAR
07/21/07	SET AIR RIG PIONEER 69	DRLG
07/31/07	9 5/8" @2122' PIONEER 69	WORT
08/15/07	TD: 2140' Csg. 9 5/8" @ 2122' MW: 8.4 SD: 8/XX/07 DSS: 0 RDRT and move to NBU 1022-7H-4. Spot rig and re-drill mouse hole with bucket rig. SDFN.	
08/16/07	TD: 2140' Csg. 9 5/8" @ 2122' MW: 8.4 SD: 8/XX/07 DSS: 0 RURT. NU and test BOPE.	
08/17/07	TD: 2140' Csg. 9 5/8" @ 2122' MW: 8.4 SD: 8/XX/07 DSS: 0 NU and test BOPE. PUDS and drill FE @ report time.	
08/20/07	TD: 5905' Csg. 9 5/8" @ 2122' MW: 8.4 SD: 8/XX/07 DSS: 0 Drill FE. Rotary spud @ 0700 hrs 8/17/07. Drill from 2140'-5905'. DA @ report time.	
08/21/07	TD: 6525' Csg. 9 5/8" @ 2122' MW: 10.7 SD: 8/17/07 DSS: 5 Drill from 5905'-6525'. DA @ report time.	
08/22/07	TD: 7103' Csg. 9 5/8" @ 2122' MW: 10.7 SD: 8/17/07 DSS: 6 Drill from 6525'-7103'. DA @ report time.	
08/23/07	TD: 7585' Csg. 9 5/8" @ 2122' MW: 11.3 SD: 8/17/07 DSS: 7 Drill from 7103'-7585'. TFNB @ report time.	
08/24/07	TD: 7988' Csg. 9 5/8" @ 2122' MW: 11.4 SD: 8/17/07 DSS: 8 TFNB. Drill from 7585'-7988'. Work on mud pumps @ report time.	
08/27/07		

TD: 8810' Csg. 9 5/8" @ 2122' MW: 11.8 SD: 8/17/07 DSS: 11  
Drill from 7988'-8537'. Work on Rotary Table motor. Drill to 8565'. TFNB. Repair hole in surface casing. TIH and drill to 8810'. DA @ report time.

**08/28/07**

TD: 8850' Csg. 9 5/8" @ 2122' MW: 11.8 SD: 8/17/07 DSS: 12  
Drill from 8810'-8850' TD. Short trip and LDDS. RU Halliburton and run Triple Combo @ report time. NOTE: This is Baker Atlas's rig. Baker could not get to this job. Another dropped job.

**08/29/07**

TD: 8850' Csg. 9 5/8" @ 2122' MW: 11.8 SD: 8/17/07 DSS: 11.8  
RD loggers. Run and cement 4 1/2" Production Casing. Set slips and Release rig @ 0230 hrs 8/29/07. RDRT

**09/27/07**

**MIRU**

Days On Completion: 1

Remarks: 7:00AM HSM, RD, MOVE RIG TO LOCATION, SPOT EQUIP., RU, ND WELL HEAD, NU BOP'S, RU FLOOR & TBG. EQUIP., REMOVE PROTECTORS, TALLY TBG., MAKE UP 3 7/8" MILL ON TBG. & RIH ON 286 JTS. TBG., TAG UP @ 8806', CIRCULATE BOTTOMS UP, RETURNS CLEAN. PULL & LAY DOWN 16 JTS. CLOSE IN WELL & SDFN. 6:00PM

**09/28/07**

**LOG & PERF**

Days On Completion: 2

Remarks: 8:30AM HSM, PULL TBG. & MILL, ND BOP'S, NU FRAC VALVES. RU CUTTERS & RUN CBL & CCL FROM 8758' TO SURFACE, CEMENT TOP @ SURFACE, TEMP: 187\*, CEMENT BOND LOOKED GOOD. RU DOUBLE JACK & PRESSURE TEST CSG. & FRAC VALVES TO 7500 PSI, OK. RIH W/ PERF GUNS & PERFORATE MV FORMATION 8472-75 W/3 3/8" CSG. GUNS, 23 GM, .36" DIA. HOLES, 90\* PHASING, 4 SPF, (12 HOLES), POOH, RU DELSCO, RIH W/DH GAUGES & SET @ 8462', RU HALCO & RUN DFIT TEST.

STG. 1 DFIT TEST: WELL HEAD PRESSURE -O PSI, PRESS. TEST LINES TO 6700 PSI, BREAK PERFS DOWN @ 6267 PSI, O BPM., PUMPED 24 BBLS. @ 2860 PSI, 4.7 BPM, 10 BBLS. GONE : 4.7 BPM @ 2860 PSI 15 BBLS. GONE : 4.7 BPM @ 2836 PSI 20 BBLS. GONE : 4.7 BPM @ 2847 PSI. 5 MIN. SHUT IN : 2590 PSI, 10 MIN. SHUT IN: 2561 PSI, 20 MIN. SHUT IN: 2540 PSI

RIG HALCO DOWN, SDFN

**10/01/07**

**Frac**

Days On Completion: 5

Remarks: 5 AM [DAY 3] MIRU HLBRTN & CUTTERS. HELD HLBRTN J.S.A.

[STG#1] WE-SICP=1300#. DELSCO POOH W/ D.H. PSI GAUGE. RIH W/ PERF GUN & PERF THE REMAINING M.V. @ 8548'-8550', 8669'-8672' & 8718'-8721' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90\* PHASING, 4 SPF, [32 HLS] WHP=1180#. BRK DN PERFS @ 3312# @ 5 BPM. ISIP=2527, F.G.=.73. PMP'D 3 BBLS 15% HCL AHEAD OF INJ. CALC 37/44 PERFS OPEN. PMP'D 2005 BBLS SLK WTR & 67,400# 30/50 SD W/ SANDWEDGE IN LAST 10,000# SAND. ISIP=3300, F.G.=.82, NPI=773, MP=6404, MR=51, AP=4452, AR=47 BPM. CUT SD EARLY--WANTING TO S/O. GOT FLUSHED OK. STG DESIGN'D FOR 78K SAND.

[STG#2] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 8323'. PERF THE M.V. @ 8284'-8293' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90\* PHASING, 4 SPF, [36 HLS] WHP=250#. BRK DN PERFS @ 3418# @ 5 BPM. ISIP=2372, F.G.=.72. CALC ALL PERFS OPEN. PMP'D 949 BBLS SLK WTR & 32,200# 30/50 SD W/ SANDWEDGE IN LAST 20,000# SAND. ISIP=2564, F.G.=.74, NPI=192, MP=4149, MR=40, AP=3680, AR=39 BPM.

[STG#3] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 8028'. PERF THE M.V. @ 7880'-7883', 4 SPF, 90\* PHASING, 7976'-7979' 3 SPF, 120\* PHASING & 7993'-7998' 4 SPF, 90\* PHASING USING 3-3/8" EXP GUN, 23 GM, 0.36, [41 HLS] WHP=40#. BRK DN PERFS @ 3065# @ 5 BPM. ISIP=2280, F.G.=.72. CALC 35/41 PERFS OPEN. PMP'D 893 BBLS SLK WTR & 29,800# 30/50 SD W/ SANDWEDGE IN LAST 20,000# SAND. ISIP=2200, F.G.=.71, NPI=-80, MP=4386, MR=52, AP=3970, AR=51 BPM.

[STG#4] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 7711'. PERF THE M.V. @ 7562'-7565', 3 SPF, 120\* PHASING 7625'-7629' & 7676'-7681' 4 SPF, 90\* PHASING USING 3-3/8" EXP GUN, 23 GM, 0.36, [45 HLS] WHP= 50#. BRK DN PERFS @ 2604# @ 5 BPM. ISIP=1890, F.G.=.68. CALC ALL PERFS OPEN. PMP'D 2340 BBLS SLK WTR & 87,200# 30/50 SD W/ SAND WEDGE IN LAST 20,000# SAND. ISIP=2059, F.G.=.70, NPI=169, MP=4616, MR=52, AP=3769, AR=51 BPM.

[STG#5] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 7464'. PERF THE M.V. @ 7234'-7237' 3 SPF, 120\* PHASING, 7317'-7320', 7402'-7404' & 7430'-7434' 4 SPF, 90\* PHASING USING 3-3/8" EXP GUN, 23 GM, 0.36, [45 HLS] WHP= 140#. BRK DN PERFS @ 2347# @ 5 BPM. ISIP=1642, F.G.=.66. CALC ALL PERFS OPEN. PMP'D 3279 BBLS SLK WTR & 124,400# 30/50 SD W. SAND WEDGE ADDED IN LAST 20,000# SAND. ISIP=2060, F.G.=.72, NPI=418, MP=4513, MR=52, AP=3476, AR=52 BPM.

[STG#6] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 7120'. PERF THE M.V. @ 7080'-7090' USING 3-1/8" H.S.C. GUN, 12 GM, 0.34, 90\* PHASING, 4 SPF, [40 HLS] WHP=0#. BRK DN PERFS @ 2363# @ 4.4 BPM. PMP'D 24 BBLS 2% KCL @ 1647# @ 5.0 BPM. ISIP=1513, F.G.=.65. 5 MIN=1308, 10 MIN=1215, 15 MIN=1154#. LEAVE D.H. PSI GAUGE IN WELL OVERNIGHT TO MONITOR PRESSURE. 7 PM SDFN. PREP TO FRAC STG'S 6 & 7 IN AM.

10/02/07

**Frac**

Days On Completion: 6

Remarks: 7AM [DAY 4] HELD HLBRTN J.S.A.

[STG#6] OVERNIGHT SICP=400#. DELSCO POOH W/ D.H. PSI GAUGE. L/D GAUGE. BROKE DN PERFS LASTNIGHT. PMP'D 3 BBLS 15% HCL AHEAD OF INJ. CALC ALL PERFS OPEN. PMP'D 1279 BBLS SLK WTR & 45,200# 30/50 SD W/ 24 GAL SAND WEDGE ADDED IN LAST 20,000# SAND. ISIP=2241, F.G.=.75, NPI=728, MP=3641, MR=40, AP=2996, AR=39 BPM.

[STG#7] RIH W/ BAKER 8K CBP & PERF GUN. SET CBP @ 5635'. PERF THE WASATCH @ 5271'-5278' USING 3-1/8" H.S.C. GUN, 12 GM, 0.34, 90\* PHASING, 4 SPF, [28 HLS] WHP= 20#. RIH W/ DELSCO SLK LINE & SET D.H. GAUGE @ 5261'. PERFORM DFIT TEST W/ HLBRTN. BRK DN PERFS @ 2042# @ 5 BPM. PMP'D 24.03 BBLS 2% KCL WTR @ 1022# @ 5.1 BPM. ISIP=856, F.G.=.60, 5 MIN=345#, 10 MIN=13#, 15 MIN=-28# LEAVE D.H. GAUGE IN WELL FOR 6 HRS. NEG 60#. DELSCO POOH W/ GAUGE. L/D D.H. GAUGE RIH W/ PERF GUN & PERF THE REMAING WASATCH @ 5602'-5605' USING 3-3/8" EXP GUN, 23 GM, 0.36, 90\* PHASING, 4 SPF, [12 HLS] WHP AFTER 2ND PERF=NEG 60#. BRK DN PERFS @ 2074# @ 5 BPM. ISIP=987, F.G.=.62. CALC 24/40 PERFS OPEN. PMP'D 680 BBLS SLK WTR & 27,800# 30/50 SD W/ 24 GAL SAND WEDGE IN LAST 20,000# SAND. ISIP=2042, F.G.=.81, NPI=1055, MP=5219, MR=53, AP=3373, AR=53 BPM.

[KILL PLUG] RIH W/ BAKER 8K CBP & SET @ 5172'. POOH & L/D WIRELINE TOOLS. RDMO CUTTERS, DELSCO & HLBRTN. TOTAL 30/50 SD=414,000# & TOTAL FLUID= 11,497 BBLS. 7:30 PM SWI-SDFN PREP TO DRILL OUT [7] CBP'S IN AM.

NOTE: RECYCLE WATER WAS 50-50 MIX FROM GOAT PASTURE & TARGET PLANT. BECAUSE OF GOAT PATURE POND NOT KEEPING UP.

**DRILL CBP'S**

Days On Completion: 7

10/03/07

Remarks: 7AM [DAY5] J.S.A.#5 WHP=VACUM. R/D FLOOR.N/D FRAC VALVES, NUBOP. P/U 3-7/8" BIT, POBS W/ BIG R NIPPLE & RIH ON NEW 2-3/8" J-55 TBG. TAG CBP#1 5172'. ESTABLISH CIRC W/ 2% KCL WTR. TOOK 45 BBLS TO FILL CSG. P.T. BOP & CSG TO 3000#. [HELD GOOD]

[DRLG CBP#1] @ 5172'. DRILL OUT BAKER 8K CBP IN 1 MIN. CBP FAILURE. 0# DIFF. REGAIN CIRCULATION W/ 50 BBLS. RIH, TAG SD @ 5610'. C/O 25' SD. FCP=0#.

[DRLG CBP#2] @ 5635'. DRILL OUT BAKER 8K CBP IN 4.5 MIN. 0# DIFF. REGAIN CIRC W/ 25 BBLS. RIH, TAG SD @ 7095'. C/O 25' SD. FCP=0#.

[DRLG CBP#3] @ 7120'. DRILL OUT BAKER 8K CBP IN 6 MIN. 75# DIFF. RIH, TAG SD @ 7440'. C/O 24' SD. FCP=50#.

[DRLG CBP#4] @ 7464'. DRILL OUT BAKER 8K CBP IN 6 MIN. 100# DIFF, RIH, TAG SD @ 7676'. C/O 35' SD. FCP=120#.

[DRLG CBP#5] @ 7711'. DRILL OUT BAKER 8K CBP IN 6 MIN. 80# DIFF. RIH, TAG SD @ 8003'. C/O 25' SD. FCP=125#.

[DRLG CBP#6] @ 8028'. DRILL OUT BAKER 8K CBP IN 6 MIN. 50# DIFF. RIH, TAG SD @ 8288'. C/O 35' SD. FCP=200#.

[DRLG CBP#7] @ 8323'. DRILL OUT BAKER 8K CBP IN 6 MIN. 75# DIFF. RIH, TAG SD @ 8746'. C/O 60' SD TO PBTD @ 8806'. B.P. @ 8721' [85' RATHOLE] CIRC WELL CLN. FCP=625#. R/D SWVL. POOH & L/D 34 JTS ON FLOAT. LAND TBG ON HNGR W/ 252 JTS NEW 2-3/8" J-55 TBG. EOT @ 7792.56' & POBS W/ BIG R @ 7790.36'. AVG 5 MIN/PLUG & C/O 229' SD. R/D FLOOR & TBG EQUIPMENT. NDBOP, NUWH. DROP BALL DN TBG & PMP OFF THE BIT @ 1750#. WAIT 30 MIN FOR BIT TO FALL TO BTM. OPEN WELL TO F.B.T. ON 20/64 CHOKE. FTP=1900, SICP=1800.

5:30 PM TURN WELL OVER TO FBC. LTR @ 5 PM= BBLS. RACK EQUIPMENT. R/D RIG. MOVE RIG TO NBU 1022-6C-4. SPOT RIG.

NOTE: 293 JTS 2-3/8" J-55 OUTBOUND  
252 JTS LANDED IN WELL  
41 JTS RETURNED.

<b>10/04/07</b>	<b>FLOWBACK REPORT:</b> CP 2000#, TP 1750#, CK 20/64", 45 BWPH, LOAD REC'D 710 BBLS, LLTR 9467 BBLS <b>WELL WENT ON SALES:</b> @ 3:00 PM, 1.5 MMCF, 2000 TBG, 2000 CSG, 20/64 CK, 40 BBWH
<b>10/05/07</b>	<b>FLOWBACK REPORT:</b> CP 2375#, TP 1800#, CK 20/64", 32 BWPH, LOAD REC'D 1637 BBLS, LLTR 8540 BBLS <b>ON SALES:</b> 490 MCF, 0 BC, 927 BW, TP: 1800#, CP: 2375#, 20/64 CHK, 9 HRS, LP: 275#.
<b>10/06/07</b>	<b>FLOWBACK REPORT:</b> CP 2400#, TP 1800#, CK 20/64", 24 BWPH, LOAD REC'D 2303 BBLS, LLTR 7874 BBLS <b>ON SALES:</b> 1456 MCF, 0 BC, 927 BW, TP: 1800#, CP: 2400#, 20/64 CHK, 24 HRS, LP: 235#.
<b>10/07/07</b>	<b>FLOWBACK REPORT:</b> CP 2400#, TP 2125#, CK 16/64", 12 BWPH, LOAD REC'D 2679 BBLS, LLTR 7498 BBLS <b>ON SALES:</b> 1461 MCF, 0 BC, 288 BW, TP: 2125#, CP: 2400#, 16/64 CHK, 24 HRS, LP: 259#.
<b>10/08/07</b>	<b>ON SALES:</b> 1565 MCF, 0 BC, 285 BW, TP: 1840#, CP: 2256#, 16/64 CHK, 24 HRS, LP: 248#.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8  
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-23609</b>
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR: <b>KERR MCGEE OIL &amp; GAS ONSHORE LP</b>		7. UNIT or CA AGREEMENT NAME <b>UNIT #891008900A</b>
3. ADDRESS OF OPERATOR: <b>1368 S 1200 E</b> CITY <b>VERNAL</b> STATE <b>UT</b> ZIP <b>84078</b>		8. WELL NAME and NUMBER: <b>NBU 1022-7H-4</b>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>2488'FNL, 227'FEL</b>  AT TOP PRODUCING INTERVAL REPORTED BELOW:  AT TOTAL DEPTH:		9. API NUMBER: <b>4304738570</b>
10. FIELD AND POOL, OR WILDCAT <b>NATURAL BUTTES</b>		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SENE 7 10S 22E</b>
12. COUNTY <b>UINTAH</b>		13. STATE <b>UTAH</b>

14. DATE SPUDDED: <b>7/17/2007</b>	15. DATE T.D. REACHED: <b>8/28/2007</b>	16. DATE COMPLETED: <b>10/4/2007</b>	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): <b>5275'GL</b>
18. TOTAL DEPTH: MD <b>8,850</b> TVD	19. PLUG BACK T.D.: MD <b>8,806</b> TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) <b>CBL-CCL-GR</b> <b>SP, DSN, HRL</b>			23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)	

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#		40		28			
12 1/4"	9 5/8 H-40	32.3#		2,140		550			
7 7/8"	4 1/2 I-80	11.6#		8,850		1539			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	7,793							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) WASATCH	5,271	5,605			5,271 5,605	0.36	40	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) MESAVERDE	7,080	8,721			7,080 8,721	0.36	251	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5271'-5605'	PMP 704 BBLS SLICK H2O & 27,800# 30/50 SD
7080'-8721'	PMP 10,793 BBLS SLICK H2O & 386,200# 30/50 SD

29. ENCLOSED ATTACHMENTS:

- ☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY  
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: \_\_\_\_\_

30. WELL STATUS:

PROD

NOV 02 2007

DIV. OF OIL, GAS & MINING

## 31. INITIAL PRODUCTION

## INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 10/4/2007		TEST DATE: 10/9/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 0		GAS – MCF: 1,841		WATER – BBL: 285		PROD. METHOD: FLOWING	
CHOKE SIZE: 16/64	TBG. PRESS. 1,769	CSG. PRESS. 2,117	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 1,841	WATER – BBL: 285	INTERVAL STATUS: PROD					

## INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED: 10/4/2007		TEST DATE: 10/9/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 1,841	WATER – BBL: 285	PROD. METHOD: FLOWING
CHOKE SIZE: 16/64	TBG. PRESS. 1,769	CSG. PRESS. 2,117	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 1,841	WATER – BBL: 285	INTERVAL STATUS: PROD

## INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

## INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

## 32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

SOLD

## 33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH MESAVERDE	4,489 7,057	7,057			

## 35. ADDITIONAL REMARKS (Include plugging procedure)

## 36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE

DATE 10/31/2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940



<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> ML-23609
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>2. NAME OF OPERATOR:</b> KERR-MCGEE OIL & GAS ONSHORE, L.P.		<b>7. UNIT or CA AGREEMENT NAME:</b> NATURAL BUTTES
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		<b>8. WELL NAME and NUMBER:</b> NBU 1022-7H-4
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 2488 FNL 0227 FEL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SENE Section: 07 Township: 10.0S Range: 22.0E Meridian: S		<b>9. API NUMBER:</b> 43047385700000
<b>PHONE NUMBER:</b> 720 929-6511		<b>9. FIELD and POOL or WILDCAT:</b> NATURAL BUTTES
<b>COUNTY:</b> UINTAH		<b>STATE:</b> UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 1/22/2013	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> CHANGE WELL NAME	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input checked="" type="checkbox"/> OTHER	
	OTHER: <span style="border: 1px solid black; padding: 2px;">Production Enhancement</span>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The operator conducted the following workover/wellbore cleanout on the subject well on 01/22/2013. Please see the attached chronological well history for details. Thank you.		
<b>Accepted by the          Utah Division of          Oil, Gas and Mining          FOR RECORD ONLY          February 13, 2013</b>		
<b>NAME (PLEASE PRINT)</b> Lindsey Frazier	<b>PHONE NUMBER</b> 720 929-6857	<b>TITLE</b> Regulatory Analyst II
<b>SIGNATURE</b> N/A	<b>DATE</b> 2/6/2013	

**US ROCKIES REGION**  
**Operation Summary Report**

Well: NBU 1022-7H-4				Spud Date: 8/17/2007					
Project: UTAH-UINTAH				Site: NBU 1022-7H-4				Rig Name No: MILES 3/3	
Event: WELL WORK EXPENSE				Start Date: 1/14/2013				End Date: 1/22/2013	
Active Datum: RKB @5,291.99usft (above Mean Sea Level)				UWI: NBU 1022-7H-4					
Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation	
1/17/2013	7:00 - 7:15	0.25	MAINT	48		P		HSM, JSA	
	7:15 - 10:00	2.75	MAINT	30	G	P		ROAD RIG FROM NBU 921-9K TO NBU 1022-7H4	
	10:00 - 13:30	3.50	MAINT	30	A	P		MIRU, 200# FCP, CONTROL WELL W/ 15BBLs T-MAC, ND WH, NU BOP'S, RU FLOOR & TBG EQUIP	
	13:30 - 14:30	1.00	MAINT	31	I	P		TIH W/ 2-3/8" TBG, TAG FILL @ 8,768' (47' BELOW BTM PERF), TOO H W/ 15 STANDS	
	14:30 - 15:30	1.00	MAINT	30		P		DRAIN PUMP & LINES, TARP RIG, SDFN	
	1/18/2013	7:00 - 7:15	0.25	MAINT	48		P		HSM, JSA
	7:15 - 9:00	1.75	MAINT	31	I	P		90# FCP, TOO H SCANNING 2-3/8" TBG	
	9:00 - 11:00	2.00	MAINT	49	A	Z		TONGS BROKE , WAIT FOR RIG CREW TO GET ANOTHER SET FROM TOWN	
	11:00 - 12:00	1.00	MAINT	31	I	P		FINISH TOO H SCANNING 2-3/8" TBG, SCAN SHOWED 250 GOOD JTS & 2 BAD, JT 246 WAS BENT BY PWR TONGS, JT 252 WAS REJECTED DUE TO PITTING (7792')	
	12:00 - 16:30	4.50	MAINT	34	I	P		MIRU CUTTERS WIRELINE, RIH W/ 4-1/2" 8K CBP, SET CBP @ 5214', DUMP BAIL 2 SX CMT ON CBP, RIH W/ 40 ARM CALIPER LOG, LOG CSG FROM 4,000' TO SURFACE, RD CUTTERS WIRELINE	
	16:30 - 16:45	0.25	MAINT	52	F	P		FILL CSG & PRESSURE TEST TO 1000PSI, CSG IS LEAKING ABOUT 100PSI PER MIN	
	16:45 - 17:00	0.25	MAINT	30	C	P		DRAIN PUMP & LINES, SDFWE	
1/21/2013	7:00 - 7:15	0.25	MAINT	48		P		HSM, JSA	
	7:15 - 11:30	4.25	MAINT	31	C	P		P/U 32A TENTION PACKER, TIH W/ 16 JTS 2-3/8" TBG, SET PACKER @ 512', PRESSURE TEST ABOVE PACKER & TEST FAILED, TEST BELOW PACKER & TEST PASSED, TOO H W/ 8 JTS, SET PACKER @ 265', TEST ABOVE PACKER & TEST FAILED, TOO H W/ 2 JTS, SET PACKER @ 202', PRESSURE TEST ABOVE PACKER & TEST FAILED, TOO H W/ 2 JTS, SET PACKER @ 140', TEST ABOVE PACKER & TEST FAILED, TEST BELOW PACKER & TEST PASSED, TOO H W/ 2 JTS, SET PACKER @ 79', TEST ABOVE PACKER & TEST FAILED, POOH W/ 1 JT, TEST ABOVE PACKER & TEST FAILED, TEST BELOW PACKER & TEST PASSED, HOLE IS WITHIN 40' OF WELLHEAD	
	11:30 - 12:30	1.00	MAINT	46	A	P		WAIT FOR ORDERS	
	12:30 - 14:00	1.50	MAINT	31	I	P		P/U 3-7/8" MILL, TIH W/ 166 JTS 2-3/8" TBG	
	14:00 - 15:30	1.50	MAINT	44	C	P		MIRU PWR SWVL, TAG CMT TOP @ 5,194', C/O 20' CMT, D/O CBP IN 10 MINS, 0 INCREASE IN CSG PSI, RD PWR SWVL	
	15:30 - 16:30	1.00	MAINT	31	I	P		TOOH W/ 76 JTS 2-3/8" TBG, SDFN	
1/22/2013	7:00 - 7:15	0.25	MAINT	48		P		HSM, JSA	
	7:15 - 9:00	1.75	MAINT	31	I	P		86# FCP, TOO H W/ 2-3/8" TBG, LD 3-7/8" MILL	

## US ROCKIES REGION

## Operation Summary Report

Well: NBU 1022-7H-4

Spud Date: 8/17/2007

Project: UTAH-UINTAH

Site: NBU 1022-7H-4

Rig Name No: MILES 3/3

Event: WELL WORK EXPENSE

Start Date: 1/14/2013

End Date: 1/22/2013

Active Datum: RKB @5,291.99usft (above Mean Sea Level)

UWI: NBU 1022-7H-4

Date	Time Start-End	Duration (hr)	Phase	Code	Sub Code	P/U	MD From (usft)	Operation
	9:00 - 15:00	6.00	MAINT	31	I	P		M/U LSN, TIH W/ 146 JTS 2-3/8" TBG, BROACH TBG W/ 1.910 BROACH TO LSN, TIH W/ 94 JTS, P/U BAKER R-3 PACKER, TIH W/ 12 JTS, BROACH TOP HALF OF TBG, SET R-3 PACKER @ 386.04', LAND TBG ON HANGER W/ 252 JTS 2-3/8" J-55 TBG ND BOP'S, NU WH, RDMO
	15:00 - 16:30	1.50	MAINT	30	C	P		KB 18' HANGER .83' 12 JTS 2-3/8" J-55 TBG 367.21' BAKER R-3 PACKER 7.00' 240 JTS 2-3/8" J-55 TBG 7,402.14' LSN 1.50' EOT @ 7,796.68' BBLs LEFT TO RECOVER 260BBLs